Query Letter

Dear Michaela,

Because you represent Sophie Wan’s WOMEN OF GOOD FORTUNE, a novel about a flawed female protagonist and the shenanigans of the rich, I’m excited to share with you my cryptocurrency caper, MARKET FAILURE.

Margaux is moving up in the world: she’s got a foot in the door at the world’s hottest crypto-startup, and she’s on the verge of discovering a corporate secret that will make her unfirable. She won’t be dragged down by her family’s debts or the prejudices of the overgrown boys she works with. As she races to discover what’s at the heart of her company’s financial crisis, Margaux must face how far she’s willing to go to succeed in the cut-throat crypto world — and if she’s willing to sacrifice her friends to save herself.

MARKET FAILURE is THE BIG SHORT meets MARGO’S GOT MONEY TROUBLES, a 60,000-word mystery set in the hedonistic world of Miami crypto-finance. MARKET FAILURE explores what it means to be an outsider in a place where there are no rules.

I’m a freelance AI researcher based in Portsmouth, NH. I finished my PhD in Computer Science from Brown University in 2016, and subsequently founded an AI startup, which was acquired in 2020. My academic articles have appeared at top-tier machine learning venues and have over a thousand citations. I’ve been studying writing for the last two years with GrubStreet. For examples of my research papers and popular science articles, please check my website — genp.github.io.

I’ve attached the first 10 pages of my novel below.  Thank you so much for your time and feedback.

Best,

Geneviève Patterson

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Synopsis

*Market Failure* follows the quixotic rise of Margaux Prentis from intern to CEO of the crisis-riddled cryptocurrency marketplace The Exchange, loosely inspired by real world events related to the collapse of FTX in 2022 and other financial scandals. The novel is a deep-dive into the lifestyles of people who work in an industry where money can be infinite, debts can be gargantuan, and power can be limitless for those willing to work 24/7.

Margaux believes there is fraud, or catastrophic incompetence, happening at the Exchange. Her rival-turned-comrade, Jared Handsome, unknowingly gives her a lead, which after clever sleuthing reveals that customer deposits are being funneled into the private hedge fund of the CEO and invested in risky early-stage startups.

As the Exchange’s illiquidity begins to portend a run on deposits, the CEO, infamous wunderkind Freddie Blotch, goes missing. The power vacuum at the top of the company leads to a series of increasingly dangerous crises, each handled, or at least muffled, by Margaux and her co-workers.

In a final bid to save the Exchange from insolvency, Margaux negotiates an acquisition by her company’s chief investor and adversary, Siquan Zhou. SQ double-deals, using social media to torpedo the company’s reputation in order to lower the purchase price.

Desperate to keep her insider position at the Exchange, Margaux releases a financial product that becomes beloved of money launderers the world over. She saves her job, but the Exchange is effectively complicit in arms dealing and the drug trade. In addition to this fall into crime, the crew at the Exchange learn that Freddie has been murdered. Likely, by a co-worker. He was pushed off the company yacht and left to drown. A corpse that Margaux saw wash up on Miami Beach at the beginning of the novel turns out to have been Freddie’s.

Wracked by fear and and guilt, Margaux turns herself into the FBI, who, in a twist of fate, insist that she become the CEO of the Exchange so that they can track the finances of international crime syndicates. Freddie’s murderer is revealed to be the Exchange’s COO, who killed him in a fit of pique when Freddie insulted him for the last time. Margaux meets her new job (or sentence, depending on how the shackles of the job chafe) with Jared’s battle-tested friendship.

Disruption

*Behind every great fortune, there is a crime.*

— Honoré de Balzac

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According to startup culture, following rules is wasting time. Everyone already follows the rules. If you follow the rules too, how will you win? The only way to gain advantage, other that being good at stuff or having a new idea, is to do what other people aren’t, e.g. breaking the rules. The best startups discourage rule-following. A popular euphemism for this behavior is Disruption. That word disrupts my bowls.

I’m not much of a rule follower myself. But I’m not a cheat. Cheating is a cardinal sin for me. The original sin. Cheating is betrayal; rule breaking, minor lawlessness even, is just a disagreement about how society should function. Cheating shatters the iridescent veil that shrouds a bet — the useful illusion that makes it possible for degenerates like you and me to put it all on red. Cheating says the small print out loud. You will lose. Stop hoping.

I’ve been known to take a bet on occasion. I pride myself on taking risks that make sense. Ones where the odds are good enough that on balance, if I make enough of a certain type of bet, and if I’m patient, I’ll take home a big payday. But I love a wild chance. A bet that puts my heart in my mouth. A bet that makes me thrilled to be alive.

I learned about the no-rules rule after a startup hired me. Sort of hired me. I was an intern; hired but really on trial. I was new to the startup game when I moved to Miami, southern capital of the crypto-verse. Crypto, the blockchains, the smart contracts, the elliptic curves, that was my home country. My native bit-land.

For all that crypto is about finance, I didn’t know anything about startup business or office politics when I arrived at The Exchange. I lived inside the machine. The world outside was an alien landscape.

I’m a cryptographer. A theoretical computer scientist by training. Dr. Margaux Prentis, PhD. I’m very impressive if you are a bug in a cryptocurrency contract. I’m probably invisible if you are a human.

The Exchange hired me fresh out of grad school. The ivy still twined in my hair. I was employee fifty-seven and a half. Not even two-thirds, as my ancestors, toiling in the Florida heat, would have been. Constance in HR said I would be number fifty-eight once I made it through my probationary period. At the time, equity and bonuses were a function of employee number.

On one thing, the founder of The Exchange, Freddie Blotch, and I agree. Contracts should be functions, not treaties scripted by obfuscating humans, using language from centuries past. Just math, in black and white. Numbers don’t lie. Pluses and minuses can be checked by anyone, not just people with advanced degrees and starched jackets.

Freddie and I disagreed about probationary periods. Not, like, in person. I’d never met him. But abstractly, he must have thought they were worthwhile. I thought they made it too risky to sign a lease for an apartment.

In what I felt was a magnanimous compromise on my part, I decided to live in the office during my internship. Sleeping under one’s desk was encouraged, especially in junior employees. If you didn’t go home, you got a lot more work done. It wasn’t much of a stretch to do it every night for a few months.

The Exchange took up two floors of a glass tower in Wynwood. It was an incubator in the clouds. A lair for money hackers, hidden by the graffiti and stylish noise of the neighborhood.

My desk was on the upper level. My view looked over a giant stair case that paraded down from the middle of the top floor to a stage, backlit by a view of Biscayne Bay, on the lower floor. The oversized steps were littered with cushions so they could be used as seating for demos or big meetings. Most people ate lunch there or played board games to unwind. I liked to use it to run stairs in the middle of the night.

The traders and engineers sat upstairs. In the pre-dawn shadows, the rows of monitors made it look like an open plan graveyard, with me, a crypto-wraith, the only living resident. In the day time, it was a boisterous locker room decked out with the slickest office furnishings venture funding could buy. Downstairs, the executive level arrayed themselves around the main stage in offices with floor to ceiling windows.

That night, when I first noticed the missing deposits, it was raining. Fat drops pelted the windows. I could see lightening out over the bay, behind a row of black-screened monitors. The weather gave the office a sinister vibe, and made me more suspicious than an intern had any right to be.

That night, I was tracking down wallets. A cryptocurrency wallet is …TODO My first task as an intern was to organize all the wallets belonging to The Exchange. It was a fussy job for anyone who could keep track of a list of addresses. It wasn’t what I’d been looking forward to working on, but it gave me a chance to learn how the company’s accounts were laid out. How the money flowed during regular operations.

That night, I became a pawn in a game as big as the whole crypto industry. At the time, I felt like I’d pulled back the curtain and entered the inner sanctum of crypto-dom.

*Funds not available for withdrawal. She’d been asked to organize this by Garrett, CFO, boss’s boss. I had a list of wallets, I knew some were in use but the addresses missing. What about private keys… I decided to start from the beginning. What happened to cash when a customer put it into their Exchange account? It all went into one big account. Balances in different currencies were accounted for in a database, but the actual positions weren’t held by users.*

*That’s weird,* I thought. *Where did all the cash go?*

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I was a theorist, but at a small company all able bodies do what they can. From each according to their abilities, etc.

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I mentally tallied the wallet balances while I ate.

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A few of the big balances seemed strange for testing. They were big enough to have been used for business critical transactions at some point. I was surprised they’d lain formant for so long without anyone following up on them.

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*Sergei comes in with his bike. Margaux asks him. She doesn’t want to ask Garrett or Michael. He says to ask Jared.*

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My manager handed me his leash on my first day and informed me that dog sitting was one of my internship responsibilities. I wasn’t sure who I was dog sitting for. I enjoy imaging that he is the real Satoshi Nakamoto, inventor of Bitcoin, whose true identity no one knows.

\* \* \*

*I ate my microwaved empanada and scratched Satoshi. I couldn’t tear myself away quite yet, the numbers were sucking me in.*

Liquidity Mismatch

As I brushed the crumbs from the corners of my mouth, my phone buzzed. It was my Dad calling. A voice call, before the start of business, wasn’t a great sign. I took a deep breath before answering.

“Hi Dad, how’re you?”

“Hi honey, I need $80k.” Of course you do Dad.

I love my Dad. He’s my favorite person in the world. At least that’s how I felt when I was eleven years old. I’ve never taken the time to update my settings. He went to prison when I was sixteen, for eighteen months.

“Eighty grand… That’s, um,” I tried to draw out my disbelief.

“I mean, how’re you? How’s the new job?” He was in dire straights, be he loved to chat.

“It’s good,” I said, leaning back in my office chair. I stretched my arms behind my head. My shoulders always bothered me, old basketball injury. My chair wheels crushed discarded Cheetos. The pleasant aroma of American cheese powder filled my nose. “The coding part is mostly what I expected, but the job also came with a dog, which, to say the least —”

“A girl’s best pal! I won’t worry about your safety then. You’ve got someone to protect you.” I was more than one person in his mind. The toddler in braids and rainbow leggings he’d taken in to foster. A young woman who needs protection (even though I’m 5’10” and can bench press my body weight). And now, a bank with easy lending practices. “I’m in a bing. I’m illiquid at the moment. I’ve got all that capital tied up in the boat.”

He’d bought a leaky tub and planned to catch lobster. He thought his grand-mère’s lobster Provençal would sell for fifty dollars a pound on Nantucket in the summer.

“I’m good for it; I just need the cash flow to get the business going.”

“I’ll take a lien on the boat, I guess. If this is a loan situation.” A lien on a non-functioning lobster trawler. That’s what I needed. I didn’t even have a place to live in Miami. I’d been camping out in the office for the last month.

“The boat’s already in your name! Otherwise the IRS would take it from me. It’s just, the funds aren’t lining up right now. I’ll have a mountain of bugs to sell in a few weeks. When I set up in that shack by the beach, please won’t be able to stop buying.” A bright future right around the corner. Lobster picnics on the beach. Who wouldn’t shell out for that?

“I haven’t got that much Dad. I’ve only had two paychecks. Give me a little time. I’ll see what I can do.”

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If I gave Ernest Prentis thousands of dollars, I would never see those little green fairies again.

\* \* \*

The cynic who lives in the attic of my mind and manages my bile production reminded me that “intern” wasn’t an impressive title for a twenty-six year old. After four years of grad school and four years of undergrad.

I stood up and took a deep breath of the circulating office dust. I turned to look out the floor-to-ceiling windows.

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*Takes a share-bike to SoBe, ride across the bridge. Satoshi in the basket.*

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The South Beach neighborhood outside was back-lit by a lavender pre-dawn haze. A woman in a neon string bikini roller bladed past the office. I took a sip of my cafecito. Morning in Miami, bitter and bright.

The south Florida humidity, even at six am, hit me like a pillow to the face.

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Some women look better as they age. Mature into their features. I’m hoping that’ll happen to me. I tucked a stray black coil into my pony tail and tried to brush the orange freckles off my cheeks.

Satochi trotted ahead, barking sharply at a few beach cats loitering in the bushes that separated the beach from the sidewalk. He’d appointed himself captain of the beach patrol before I met him. He was on duty 24/7.

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Behind the cop, I saw several other officers shuffling through the sand, flashlights in hand. There was a silent ambulance parked with its doors open. Two EMTs were loading a body into the back. A black shroud covered the corpse on the gurney. The sheet had a heaviness, even in the low light.

Someone must have overdosed. The cops were probably looking for a needle in the sand. I felt the weight of anonymous grief settle in my core, but I also had a strange pang of envy. What a beautiful place to die.

Naked Call

The office burbled with conversation and tippy-tippy keystrokes.

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*Shorting the in-house token because the boss canceled a meeting was a bonkers idea. It would also be insider trading. That is, if insider trading existed in crypto, which it doesn’t because there are no rules in the digital Wild West. But as the saying goes, everything is securities fraud. I would be committing a betrayal of trust against the people holding Exchange Tokens (EXT).*

Chesterton's Fence

Banking rules exist for good reasons.

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*Depositor funds were funneled into Biscayne Investment Labs, and in turn Biscayne Labs spent client money on venture capital investments in early-stage startups.*